

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
AUGUST 19, 2013**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, August 19, 2013.

The meeting was called to order by Chairman Wayne Schuetter.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Wayne Schuetter – Chairman  
Rick Stradtner – Vice Chairman  
Doug Schulte – Secretary  
Ken Sendelweck – Electric Commissioner  
Alex Emmons – Wastewater Commissioner  
Dave Hurst – Water Commissioner  
Keith Masterson – Gas Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Ernie Hinkle – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger – General Manager  
Ashley Kiefer – Office Manager  
Renee Kabrick – City Attorney

**PLEDGE OF ALLEGIANCE** (DVD-00:38)

Chairman Wayne Schuetter led the Pledge of Allegiance.

**QUOTE OPENING: TANK, TOWER, & CLEARWELL INSPECTION –WATER** (DVD-01:00)

Bud Hauersperger stated that only one quote was received. Hauersperger opened the quote and read it aloud as follows:

1. Preferred Tank & Tower, Inc. \$2,990.00  
Henderson, KY

The quote included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Ernie Hinkle stated that the quote includes inspecting the tanks, towers, and clearwells. Hinkle asked for permission to proceed with Preferred Tank and Tower, as long as all specifications are met.

Rick Stradtner made a motion to give Hinkle permission to proceed with Preferred Tank and Tower for the quoted amount of \$2,990, as long as all specifications are met. Doug Schulte seconded the motion. Motion approved, 7-0.

**QUOTE OPENING: BAR SCREEN UPGRADE – WASTEWATER** (DVD-04:50)

Bud Hauersperger stated that 4 requests for proposals were sent out, but only one quote was received. Hauersperger opened the quote and read it aloud as follows:

1. Maddox Industrial Contractors \$67,200.00  
Indianapolis, IN

The quote included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Ken Sendelweck made a motion to give Hollinden permission to proceed with Maddox Industrial Contractors for \$67,200 to upgrade the bar screen at the Wastewater facility, as long as all specifications are met. Dave Hurst seconded the motion. Motion approved, 7-0.

**APPROVAL OF MINUTES** (DVD-07:32)

Chairman Wayne Schuetter presented the minutes of the July 15, 2013 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Keith Masterson made a motion to approve the minutes of the July meeting as presented. Doug Schulte seconded the motion. Motion approved, 7-0.

**JASPER CLEAN ENERGY MONTHLY REPORT** (DVD-08:10)

Bud Hauersperger explained the Jasper Clean Energy monthly report for July to the Board. Hauersperger stated that there had been no changes in the report from last month. Jasper Clean Energy is continuing to look for RFP's for Power Purchase agreements.

**UPDATE ON LITIGATION – BILL KAISER** (DVD-08:38)

Bill Kaiser, with Bingham, Greenebaum, and Doll, addressed the Board regarding the ongoing Power Plant litigation. Kaiser stated that during the litigation there was a Motion to Compel filed. This means that there were certain questions asked by the City that the plaintiffs did not answer. At this time that motion is still pending.

The plaintiffs then filed a Motion for Clarification against the City. Interrogatories about the case are being asked by both sides. The City has also filed a Motion for Partial Summary Judgment. This means that the City is asking that the things decided in the first trial, the seven executive sessions that were discussed and not overturned by the Court of Appeals, be set aside

and not be the focus of the re-trial. The City asks that the focus be on the volunteer group. This motion is still pending with the Trial Court Judge. Discovery is still ongoing for both sides; documents should be delivered to the plaintiffs in the next couple of weeks. When the current motions are decided, there will be a better focus on the trial.

Kaiser stated that the City did receive a Proposal to Settle from the plaintiffs. The settlement offer states the following: 1) Admit that the City violated the Open Door Law; 2) Pay all of Dr. Kreilein's and Healthy Dubois County's legal fees and expenses; 3) Agree to abandon the conversion of the Power Plant to a biomass facility; 4) Acknowledge that Jasper underestimated the potential health effects of the biomass project; 5) Acknowledge that Dr. Kreilein and Healthy Dubois County were neither untruthful in the process nor are they a detriment to the community.

Kaiser stated that the Board needs to consider this opportunity to settle or resolve the litigation. Any decision made regarding the litigation would also have to go thru the City Council. Kaiser said that when the proposal to settle was received, his firm tried to contact the plaintiffs' legal counsel regarding the amount of legal fees and expenses that they asked the City to pay in the settlement offer, but no response was received. Therefore, Kaiser stated, it is hard to compromise or counter offer when those fees are unknown. Kaiser stated that in his opinion, the City did no wrong, and shouldn't admit that they did, just to settle. The City did not violate the Open Door Law. Also, the City should not have to stop the project. It is not related to the litigation at all. Kaiser also stated that the City did not underestimate the health impacts on the City of Jasper, which is another one of the items listed within the settlement.

Kaiser asked that the Board take action on the settlement or give some direction to himself, as legal counsel, on how to proceed with the litigation.

Wayne Schuetter, Chairman of the Board, spoke about the economic impact the Jasper Clean Energy project would have on the City. Schuetter stated that by agreeing to abandon conversion of the Power Plant to settle the lawsuit, the City would be relinquishing responsibility on behalf of the rate payers of the City of Jasper.

Kaiser presented the Board with the Local Economic Impact Analysis that was done prior to the project starting. Kaiser and Chairman Schuetter discussed the economic value that the project would have on the City of Jasper. Schuetter also stated that there are many other things that could still stop the project, such as permitting, no offers to buy the power, etc. Schuetter said it says a lot when the plaintiffs' counsel would not get back with the City to discuss the proposal to settle when we contacted them.

City Attorney, Renee Kabrick, asked Kaiser if this settlement was just an opening to begin discussions, or if this is the plaintiffs' bottom line. If this is an opening, maybe some negotiating can be considered. Chairman Schuetter re-read the settlement proposal aloud and stated that he cannot agree to any of the five items listed. Schuetter asked for a motion to reject categorically all five items in the settlement proposal.

Ken Sendelweck made a motion to categorically reject all five items in the settlement proposal from Kreilein and Healthy Dubois County. Alex Emmons seconded the motion. Motion approved, 7-0.

Chairman Schuetter asked Kaiser how he recommended the Board to proceed with the litigation. Kaiser recommends a mutual dismissal of the case, both parties dismissing with prejudice, and each party paying their own attorney fees.

Keith Masterson made a motion to give Kaiser the authority to pursue a settlement with mutual dismissal of the case, both parties dismissing with prejudice, and each party paying their own legal fees, subject to approval by the City Council. Dave Hurst seconded the motion. Motion approved, 7-0.

### **ELECTRIC, WASTEWATER, GAS, & WATER PLANNING COMMITTEE REPORTS** (DVD-35:11)

Chairman Schuetter stated that on August 5, 2013 the Electric, Wastewater, Gas, and Water Planning Committees met to discuss the reorganization of their Departments. Schuetter asked for a motion to have all four departmental reports presented together.

Rick Stradtner made a motion to have the Electric, Wastewater, Gas, and Water Planning Committee reports presented together. Dave Hurst seconded the motion. Motion approved, 7-0.

Bud Hauersperger presented the Planning Committee reports to the Board. Hauersperger stated that he would like to move the four remaining employees in the Electric Generation Department to the Electric Distribution Department and be supervised by Jerry Schitter. There will now only be an Electric Utility versus Generation and Distribution. Financials for both departments will still be kept separately.

The Electric Distribution Department will now include a Power Plant section. This section will include two available positions for Power Plant Mechanics, and five available positions for part-time Power Plant Operators, which are needed when the Power Plant has to run a capacity test. Hauersperger would like to change the part-time Custodian position to a full-time Facilities Maintenance Technician position, which may be filled by one of the original Power Plant employees.

All of the changes to the Salary Ordinance discussed are presented in Resolution #USB 2013-5. The Resolution will show how many positions are approved versus how many are approved and filled. The filled positions will be kept on a separate report.

The Electric Department previously had two Lineman Foremen that supervised all of the linemen. The department will now have five Lead Lineman, and four Journey Linemen. This will include the Lineman Apprentices. All of the linemen will now report to the Distribution Superintendent.

Hauersperger stated that the only change made in the Wastewater Department was adding one extra Line Crew Technician. Previously the Department had three technicians, and now it will have four.

Hauersperger said that in the Gas and Water Departments Ernie Hinkle took the position of Gas and Water Manager, and Mike Dorsam took the position of Distribution Foreman. The now vacant Assistant Distribution Foreman position will not be filled; instead Hauersperger would

like to increase the number of Distribution Mechanics. Hauersperger would like to rename the position of Utility Locator Easement Coordinator, to Water and Gas Engineer; this position will now include estimating and transferring all of the Water and Gas drawings to CAD, instead of paper. With the change in responsibility, another Distribution Mechanic will be needed to help with locates. On-call pay was also implemented in the Gas and Water Departments.

Financially, the changes would save the Utilities approximately \$224,236 compared to last year. Hauersperger stated that the changes will make the departments more organized and efficient. All Utility Commissioners were in favor of the Departments' reorganization.

Keith Masterson made a motion to approve Resolution #USB 2013-5, recommending the changes to the Salary Ordinance to the Council. Doug Schulte seconded the motion. Motion approved, 7-0.

Attorney Kabrick stated that this Resolution contains a listing of all the existing positions; the positions that are not currently filled have not been deleted. This change will be made next month when the 2014 Salary Ordinance is passed.

Chairman Schuetter complimented Hauersperger and the Utility Managers on the reorganization of the Utilities.

Bud Hauersperger stated that the Gas Planning Committee met again on August 16<sup>th</sup> to discuss extending gas service to the Whoderville area. The Committee met with a few residents of Whoderville that are interested in hooking into the City's gas. They discussed the preliminary cost estimates and how much interest there was in the Whoderville area. Nothing was resolved at the meeting; there is still more work to be done on both sides. Hauersperger stated that another meeting will be scheduled soon.

#### **PERMISSION TO BEGIN USING ORACLE CHEMICAL IN WATER TREATMENT** (DVD-49:58)

Ernie Hinkle informed the Board that fall hydrant flushing will begin in early October. Hinkle said that he would like to introduce a new chemical called Oracle to the system before the flushing begins. Oracle does a better job of cleaning the pipes prior to flushing. The start-up cost is \$6,000.

Hinkle believes that by adding the chemical it would enhance the water and help meet future testing requirements. Hinkle also feels adding the chemical will help in the long term reduction of quality complaints, lead to a reduction in the level of chlorine needed, will reduce the quantity of water used in future flushing, and may improve water flow and pressure in the system. Hinkle stated the department already has most of the equipment to get the process started.

Initially there may be a little odor or discoloration in the water. This will be flushed through the system as quickly as possible. Hinkle feels the benefits of the chemical outweigh the initial discoloration and odor. There are no safety issues.

Rick Stradtner made a motion to give Hinkle permission to begin using the Oracle chemical in the water hydrant flushing. Alex Emmons seconded the motion. Motion approved, 7-0.

**LETTER FROM CUSTOMER** (DVD-56:36)

Hauersperger informed the Board that a customer wrote a letter to the Utility Department regarding two Gas and Water employees, Mike Cravener and Aaron Stenftenagel. A customer reported a water leak running down the street and the two employees went to investigate the call. While there, the two employees realized that the source of the water leak was coming from a customer who was on vacation, and their irrigation system had sprung a leak. The employees turned the meter off to the irrigation system and contacted the home owner's son; therefore, the irrigation system could be fixed before the landscaping was ruined. Hauersperger stated that the employees handled the situation very well.

**CHANGE ORDER FROM EVAPAR FOR GENERATOR UPGRADE PROJECT** (DVD-57:57)

Hollinden presented the Board with a Change Order request for \$4,132.99 from Evapar for the Generator Upgrade project. Hollinden stated that during construction Evapar found out that the plans were wrong on our drawings and were against code. In order to fix this code problem, they are asking for a three week extension on the project.

Hollinden informed the Board that \$82,000 will be paid toward the project, which is substantial completion. Approximately \$10,000 has been withheld, until we receive the as-built drawings. Donohue and Associates, the engineer on the project, did recommend the change order to get the project up to code.

Alex Emmons made a motion to approve the Generator Upgrade project Change Order for \$4,132.99 and to give a three week extension for the project to Evapar. Keith Masterson seconded the motion. Motion approved, 7-0.

**ALPINE SEWER LINE** (DVD-1:00:48)

Hollinden informed the Board that the Alpine sewer line at the old Country Club property is installed, in use, and has passed inspection.

**PERMISSION TO REDUCE THE AMOUNT IN THE E/G PETTY CASH FUND** (DVD-1:00:59)

Ashley Kiefer stated that when Windell Toby retired, as Electric Generation Manager, he turned in the Generation petty cash fund, which was \$300. Since the petty cash fund is no longer needed, we need to close the fund and deposit the money into the Generation Department's Operating and Maintenance fund. Kiefer asked for permission to reduce the petty cash fund balance from \$300 to \$0.

Ken Sendelweck made a motion to reduce the Electric Generation petty cash fund from \$300 to \$0. Doug Schulte seconded the motion. Motion approved, 7-0.

### **ENERGIZING INDIANA INTERVIEW** (DVD-1:02:04)

Hauersperger informed the Board that Mayor Seitz and himself did an interview on Channel 18 regarding Energizing Indiana. The interview was aired last Thursday and will be aired again this Thursday. They explained what Energizing Indiana was and how the City of Jasper supports the program. They also explained how non-profit organizations could benefit from the program. This is a great opportunity for everyone and is a win-win situation.

Mayor Seitz and Hauersperger will also be interviewed on WITZ Radio at 7:00AM this Thursday morning.

### **BEAVER LAKE** (DVD-1:03:43)

Hauersperger informed the Board that he met with Morley and Associates today to determine the correct water level for the lake. They are still gathering data from several sources and doing desk work. Field work and surveying will also be done. A report should be ready in three to four weeks.

### **UPDATE ON 3<sup>RD</sup> AVENUE WATER MAIN REPLACEMENT PROJECT** (DVD-1:04:47)

Hauersperger stated that bids for the 3<sup>rd</sup> Avenue Water Main Replacement project will be opened at next month's Utility Service Board meeting on September 16<sup>th</sup>. A Wage Determination Hearing is also scheduled for September 5<sup>th</sup> at 10:00AM. Once the wages are determined, that information will be sent out as an addendum. A Special Utility Service Board Meeting will be held on September 24<sup>th</sup> at 11:00AM to award the bid.

### **BEAVER SPILLWAY** (DVD-1:05:55)

Ernie Hinkle informed the Board that four large additional buoys were added to mark the spillway for boaters. Two buoys with reflectors were placed on each side of the spillway and weighted down so they stand up straight and ropes with ribbons were also installed. Hinkle stated that the addition of the buoys and ropes makes the spillway very safe and noticeable.

### **FINANCE COMMITTEE REPORT** (DVD-1:06:44)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Keith Masterson made a motion to approve the claims as presented. Dave Hurst seconded the motion. Motion approved, 7-0.

### **NON-RECURRING CHARGES RESOLUTION UPDATING WATER METER PARTS CHARGES** (DVD-1:07:24)

Attorney Kabrick presented Resolution #USB 2013-4, Setting Billing Charges, to the Board.

Kabrick stated that on an annual basis each Department has the opportunity to update the items that they have non-reoccurring charges for. This year the Water Department was the only Department to have any changes. The changes are listed in the Resolution.

Doug Schulte made a motion to approve Resolution #USB 2013-4. Dave Hurst seconded the motion. Motion approved, 7-0.

**MAYOR COMMENTS** (DVD-1:08:25)

Mayor Seitz acknowledged the interviews with Hauersperger regarding Energizing Indiana.

There being no further business to come before the Board, the meeting was adjourned at 8:10PM upon motion by Alex Emmons and seconded by Keith Masterson. Motion approved, 7-0.

The minutes were hereby approved \_\_\_\_\_ with   X   without corrections this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Attest: \_\_\_\_\_  
Secretary Chairman